

SENATE BILL NO. 250

INTRODUCED BY ELLINGSON

A BILL FOR AN ACT ENTITLED: "AN ACT DISALLOWING, FOR THE PURPOSES OF DETERMINING THE INDIVIDUAL INCOME TAX CAPITAL GAINS CREDIT, CAPITAL GAINS AND LOSSES FROM SALES OF PUBLICLY TRADED COMMON STOCK LISTED ON A NATIONAL STOCK EXCHANGE; AMENDING SECTION 15-30-183, MCA; AND PROVIDING ~~AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY~~ A DELAYED EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-30-183, MCA, is amended to read:

"15-30-183. Capital gains credit. (1) An individual taxpayer is allowed a credit against the taxes imposed by 15-30-103 in an amount equal to 1% of the taxpayer's qualified net capital gains for tax years 2005 and 2006 and 2% of the taxpayer's qualified net capital gains for tax years beginning after 2006, ~~as shown on the taxpayer's individual income tax return filed pursuant to 15-30-142.~~ The credit allowed under this section may not exceed the taxpayer's income tax liability.

(2) Gains and losses from sales of shares, OF STOCK OR SECURITIES, OF options, or OF other derivatives of common stock OR INSTRUMENTS of publicly traded companies THAT ARE listed on a national stock exchange, including the New York stock exchange, the national association of securities dealers automated quotation system, and the American stock exchange, do not qualify as capital gains and losses under this section and may not be used for determining net capital gains for the purposes of the credit allowable under subsection (1)."

NEW SECTION. **Section 2. Effective date.** [This act] is effective ~~on passage and approval~~ JANUARY 1, 2006.

NEW SECTION. **Section 3. ~~Retroactive applicability~~ APPLICABILITY.** [This act] applies ~~retroactively,~~ within the meaning of 1-2-109, to tax years beginning after December 31, ~~2004~~ 2005.

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